

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 01-0069P
Individual Income Tax
For the Calendar Year 1999

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ISSUE(S)

I. Tax Administration – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated January 26, 2001 protested the penalty and interest assessed. Taxpayer states it does not owe the penalty.

In the last quarter of 1999, taxpayer relocated to a temporary address and assumed a new position with a company in northern Kentucky. Taxpayer filed a full year Indiana resident tax return and was assessed a civil penalty for failure to pay quarterly estimated income taxes.

Taxpayer failed to properly prepare Form 2210 by indicating that the prior year's tax was only \$368 while it was actually \$3,518.57 which requires a minimum estimated quarterly installment of \$879.64. Taxpayer made no estimated payments and relied on her employer's withholding.

I. Tax Administration – Penalty

DISCUSSION

Taxpayer states that it does not owe the penalty and prepared Schedule IT-2210 showing no estimated tax due. A review of the form, however, indicates that the taxpayer erred by showing the prior year's tax to be \$368 instead of \$3,518. This failure caused the taxpayer to underpay her estimated income tax.

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Taxpayer has not provided reasonable cause to allow the department to waive the penalty.

FINDING

Taxpayer's protest is denied.

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